
By: **Delegate McHale**

Introduced and read first time: February 9, 2001

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law - Uniform Commercial Code - Secured Transactions -**
3 **Scope**

4 FOR the purpose of exempting, from the application of the provisions of the secured
5 transactions provision of the Maryland Uniform Commercial Code, certain
6 claims or rights to receive compensation for injuries or sickness and certain
7 claims or rights to receive benefits under certain special needs trusts; and
8 providing for the effective date of this Act.

9 BY repealing and reenacting, with amendments,
10 Article - Commercial Law
11 Section 9-109(d)
12 Annotated Code of Maryland
13 (1997 Replacement Volume and 2000 Supplement)
14 (As enacted by Chapter 282 of the Acts of the General Assembly of 1999)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
16 MARYLAND, That the Laws of Maryland read as follows:

17 **Article - Commercial Law**

18 9-109.

19 (d) This title does not apply to:

20 (1) A landlord's lien, other than an agricultural lien;

21 (2) A lien, other than an agricultural lien, given by statute or other rule
22 of law for services or materials, but § 9-333 applies with respect to priority of the lien;

23 (3) An assignment of a claim for wages, salary, or other compensation of
24 an employee;

25 (4) A sale of accounts, chattel paper, payment intangibles, or promissory
26 notes as part of a sale of the business out of which they arose;

1 (5) An assignment of accounts, chattel paper, payment intangibles, or
2 promissory notes which is for the purpose of collection only;

3 (6) An assignment of a right to payment under a contract to an assignee
4 that is also obligated to perform under the contract;

5 (7) An assignment of a single account, payment intangible, or promissory
6 note to an assignee in full or partial satisfaction of a preexisting indebtedness;

7 (8) A transfer of an interest in or an assignment of a claim under a policy
8 of insurance, other than an assignment by or to a health-care provider of a
9 health-care-insurance receivable and any subsequent assignment of the right to
10 payment, but §§ 9-315 and 9-322 apply with respect to proceeds and priorities in
11 proceeds;

12 (9) An assignment of a right represented by a judgment, other than a
13 judgment taken on a right to payment that was collateral;

14 (10) A right of recoupment or set-off, but:

15 (A) § 9-340 applies with respect to the effectiveness of rights of
16 recoupment or set-off against deposit accounts; and

17 (B) § 9-404 applies with respect to defenses or claims of an account
18 debtor;

19 (11) The creation or transfer of an interest in or lien on real property,
20 including a lease or rents thereunder, except to the extent that provision is made for:

21 (A) Liens on real property in §§ 9-203 and 9-308;

22 (B) Fixtures in § 9-334;

23 (C) Fixture filings in §§ 9-501, 9-502, 9-512, 9-516, and 9-519;
24 and

25 (D) Security agreements covering personal and real property in §
26 9-604;

27 (12) An assignment of a claim arising in tort, other than a commercial tort
28 claim, but §§ 9-315 and 9-322 apply with respect to proceeds and priorities in
29 proceeds; [or]

30 (13) An assignment of a deposit account in a consumer transaction, but §§
31 9-315 and 9-322 apply with respect to proceeds and priorities in proceeds;

32 (14) A CLAIM OR RIGHT TO RECEIVE COMPENSATION FOR INJURIES OR
33 SICKNESS AS DESCRIBED IN 26 U.S.C. § 104(A)(1) OR (2), AS AMENDED FROM TIME TO
34 TIME; OR

1 (15) A CLAIM OR RIGHT TO RECEIVE BENEFITS UNDER A SPECIAL NEEDS
2 TRUST AS DESCRIBED IN 42 U.S.C. § 1396P(D)(4), AS AMENDED FROM TIME TO TIME.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 July 1, 2001, the effective date of Chapter 282 of the Acts of the General Assembly of
5 1999. If the effective date of Chapter 282 is amended, this Act shall take effect on the
6 taking effect of Chapter 282.